

AMENDED IN ASSEMBLY APRIL 26, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2030

**Introduced by Assembly Member Mullin
(Coauthor: Assembly Member Bonilla)**

February 16, 2016

An act to amend ~~Sections~~ *Section* 20221 and 20331 of the Public Contract Code, and to amend Section 103222 of the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2030, as amended, Mullin. Transportation districts: contracts.

(1) Existing law requires contracts of the San Francisco Bay Area *Rapid* Transit District for the purchase of supplies, equipment, and materials to be let to the lowest responsible bidder or to the bidder who submits a proposal that provides best value, as defined, if the amount of the contract exceeds \$100,000 and requires the district to obtain a minimum of 3 quotations for those contracts between \$2,500 and \$100,000. Existing law requires the district, if the contract is for the construction of facilities and works, to let the contract to the lowest responsible bidder if the amount of the contract exceeds \$10,000 and to obtain a minimum of 3 quotations for those contracts between \$2,500 and \$10,000.

This bill would instead impose those bidding requirements with respect to district contracts for the purchase of supplies, equipment, and materials if the amount of the ~~contracts~~ *contract* exceeds \$150,000 and would require a minimum of 3 quotations for those contracts between \$5,000 and \$150,000. The bill would also ~~impose those bidding requirements~~ *require*, with respect to district contracts for the

construction of facilities ~~or equipment if the amount of the contract exceeds \$100,000 and would require~~ *and works*, a minimum of 3 quotations for those contracts between \$5,000 and ~~\$100,000~~. *\$10,000*.

(2) Existing law requires contracts of the San Mateo County Transit District for the purchase of supplies, equipment, and materials to be let to the lowest responsible bidder or to the bidder who submits a proposal that provides best value, as defined, if the amount of the contract exceeds \$100,000 and requires the district, to the extent practicable, to obtain a minimum of 3 quotations for those contracts between \$2,500 and \$100,000.

This bill would instead impose those bidding requirements if the amount of the contracts exceeds \$150,000 and would require a minimum of 3 quotations for contracts between \$5,000 and \$150,000. The bill would require that *the* \$5,000 threshold ~~to~~ be adjusted to reflect changes in the Consumer Price Index.

~~Existing law requires the district, if the contract is for the construction of transit works or transit facilities, to let the contract to the lowest responsible bidder, except as provided, if the amount of the contract exceeds \$10,000.~~

~~The bill would instead impose that bidding requirement if the amount of the contract exceeds \$100,000 and would require that \$100,000 threshold to be adjusted to reflect changes in the Consumer Price Index.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 20221 of the Public Contract Code is
2 amended to read:
3 20221. (a) The purchase of all supplies, equipment, and
4 materials when the expenditure required exceeds one hundred fifty
5 thousand dollars (\$150,000) shall be by contract let to the lowest
6 responsible bidder or, in the district's discretion, to the responsible
7 bidder who submitted a proposal that provides the best value to
8 the district on the basis of the factors identified in the solicitation.
9 "Best value" means the overall combination of quality, price, and
10 other elements of a proposal that, when considered together,
11 provide the greatest overall benefit in response to requirements
12 described in the solicitation documents. The construction of
13 facilities and works when the expenditure required exceeds ~~one~~

1 ~~hundred ten~~ thousand dollars ~~(\$100,000)~~ (\$10,000) shall be by
2 contract let to the lowest responsible bidder. Notice requesting
3 bids shall be published at least once in a newspaper of general
4 circulation. This publication shall be made at least 10 days before
5 the bids are received. The board may reject any and all bids and
6 readvertise in its discretion.

7 (b) Whenever the expected procurement required exceeds five
8 thousand dollars (\$5,000) and, in the case of the construction of
9 facilities and works, does not exceed ~~one hundred ten~~ thousand
10 dollars ~~(\$100,000)~~ (\$10,000) or, in the case of the purchase of
11 supplies, equipment, or materials, does not exceed one hundred
12 fifty thousand dollars (\$150,000), the district shall obtain a
13 minimum of three quotations, either written or oral, that permit
14 prices and terms to be compared.

15 (c) Where the expenditure required by the bid price is less than
16 one hundred thousand dollars (\$100,000), the general manager
17 may act for the board. When acting pursuant to this subdivision,
18 the general manager shall, in each instance, promptly notify the
19 board of the action taken.

20 ~~SEC. 2. Section 20331 of the Public Contract Code is amended~~
21 ~~to read:~~

22 ~~20331. (a) Contracts for the construction of transit works or~~
23 ~~transit facilities in excess of one hundred thousand dollars~~
24 ~~(\$100,000) shall be awarded to the lowest responsible bidder after~~
25 ~~competitive bidding, except in emergency declared by the vote of~~
26 ~~seven members of the board. In the case of an emergency, if notice~~
27 ~~for bids to let contracts will not be given, the board shall comply~~
28 ~~with Chapter 2.5 (commencing with Section 22050).~~

29 ~~(b) The amount specified in subdivision (a) shall be adjusted~~
30 ~~on January 1, 2018, to reflect the percentage change since January~~
31 ~~1, 2016, in the California Consumer Price Index, and shall be~~
32 ~~adjusted each January 1 thereafter to reflect the annual percentage~~
33 ~~change in the California Consumer Price Index.~~

34 ~~SEC. 3.~~

35 ~~SEC. 2. Section 103222 of the Public Utilities Code is amended~~
36 ~~to read:~~

37 103222. (a) The purchase of all supplies, equipment, and
38 materials, when the expenditure required exceeds one hundred
39 fifty thousand dollars (\$150,000), shall be by contract let to the
40 lowest responsible bidder, or, in the district's discretion, to the

1 responsible bidder who submitted a proposal that provides the best
2 value to the district on the basis of the factors identified in the
3 solicitation. “Best value” means the overall combination of quality,
4 price, and other elements of a proposal that, when considered
5 together, provide the greatest overall benefit in response to the
6 requirements described in the solicitation documents.

7 (b) To the extent practicable, the district shall obtain a minimum
8 of three quotations, either written or oral, that permit prices and
9 terms to be compared whenever the expected expenditure required
10 for the purchase of supplies, equipment, or materials exceeds five
11 thousand dollars (\$5,000), but does not exceed one hundred fifty
12 thousand dollars (\$150,000).

13 (c) Notice requesting bids required by ~~the~~ *this* section shall be
14 published at least once in a newspaper of general circulation and
15 on the district’s procurement Internet Web-site, ~~which publication~~
16 *site. These publications* shall be made at least 10 days before the
17 bids are received. The board may reject any and all bids and
18 readvertise at its discretion.

19 (d) This section applies solely to the procurement of supplies,
20 equipment, and materials, and shall not apply to construction
21 contracts.

22 (e) The five-thousand-dollar (\$5,000) amount specified in
23 subdivision ~~(a)~~ *(b)* shall be adjusted on January 1, 2018, to reflect
24 the percentage change since January 1, 2016, in the California
25 Consumer Price Index, and shall be adjusted each January 1
26 thereafter to reflect the annual percentage change in the California
27 Consumer Price Index.